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Macroeconomic policy questions: commodities

South Africa:* draft resolution

Commodities

The General Assembly,

Recalling resolution 59/224 of 22 December 2004 and stressing the urgent need to ensure its full implementation,

Recalling also the United Nations Millennium Declaration adopted by Heads of State and Government on 8 September 2000,[1] the 2005 World Summit Outcome adopted on 16 September 2005[2] and its resolution 60/265 of 30 June 2006 on the follow-up to the development outcome of the 2005 World Summit, including the Millennium Development Goals and the other internationally agreed development goals,

Recalling further the International Conference on Financing for Development and its outcome,[3]

Recalling the Plan of Implementation of the World Summit on Sustainable Development ("Johannesburg Plan of Implementation"),[4]

Recalling also the Programme of Action for the Least Developed Countries for the Decade 2001-2010[5] and the outcome of the high-level meeting of the sixty-first session of the General Assembly on the midterm comprehensive global review of

* On behalf of the States Members of the United Nations that are members of the Group of 77 and China.

[1] See resolution 55/2.

[2] See resolution 60/1.

[3] *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution 1, annex.

[4] *Report of the World Summit on Sustainable Development, Johannesburg, South Africa, 26 August-4 September 2002* (United Nations publication, Sales No. E.03.II.A.1 and corrigendum), chap. I, resolution 2, annex.

[5] A/CONF.191/13, chap. II.

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the implementation of the Programme of Action for the Least Developed Countries for the Decade 2001-2010, held in New York on 19 and 20 September 2006,[6] and taking note of the *Least Developed Countries Report, 2004*,[7]

Taking note of the Arusha Declaration and Plan of Action on African Commodities,[8] adopted at the African Union Conference of Ministers of Trade on Commodities, held in Arusha from 21 to 23 November 2005, and endorsed by the Executive Council of the African Union at its eighth ordinary session, held in Khartoum from 16 to 21 January 2006,[9]

Taking note also of the reports of the Trade and Development Board on its fifty-third session, held in Geneva from 27 September to 2 October and on 10 October 2006,[10] and its twenty-third special session, held in Geneva from 8 to 11 May, from 12 to 15 June and from 3 to 10 October 2006,[11]

Recognizing that many developing countries are highly dependent on primary commodities as their principal source of export revenues, employment, income-generation and domestic savings, and as the driving force of investment, economic growth and social development,

Deeply concerned that, in spite of the recent increase in some commodity prices, the fundamental causes underlying the declining price trend have not been addressed, and that supply capacity problems and difficulties with effective participation in value chains also prevent many developing countries from obtaining full benefits from the current positive conditions,

Recognizing that trade in commodities is a fundamental component of international trade,

Taking note of the targets set out in the Rome Declaration on World Food Security and the Plan of Action of the World Food Summit[12] and the outcome document of the World Food Summit: five years later,[13] which reaffirms the pledge to end hunger and poverty,

1. *Reiterates* the importance of maximizing the contribution of the commodity sector to sustained economic growth and sustainable development, while continuing with diversification efforts in commodity-dependent developing countries;

2. *Recalls* the potential of regional integration and cooperation to improve the effectiveness of traditional commodity sectors and support diversification efforts;

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[6] See resolution 61/1.

[7] United Nations publication, Sales No. E.04.II.D.27.

[8] Document AU/Min/Com/Decl., also available from www.uneca.org/atpc/arusha_decla_commo.pdf.

[9] See A/60/693, annex II, decision EX.CL/Dec.253 (VIII).

[10] TD/B/53/8 (vol. I).

[11] TD/B(S-XXIII)/4, 5 and 7 (vol. I).

[12] Food and Agriculture Organization of the United Nations, *Report of the World Food Summit, 13-17 November 1996* (WFS 96/REP), part one, appendix.

[13] Food and Agriculture Organization of the United Nations, *Report of the World Food Summit: five years later, 10-13 June 2002*, part one, appendix; see also A/57/499, annex.

3. *Reaffirms* the commitments made in the Doha Ministerial Declaration,[14] the Ministerial Declaration adopted at the Sixth Ministerial Conference of the World Trade Organization, held in Hong Kong, China, from 13 to 18 December 2005,[15] and the decision of the General Council of the World Trade Organization of 1 August 2004[16] to fulfil the development dimensions of the Doha Development Agenda,[14] which places the needs and interests of developing countries, particularly the least developed countries, at the heart of the Doha Work Programme and calls for the successful and timely completion of the Doha round of trade negotiations with the full realization of the development dimensions of the Doha Work Programme;

4. *Express concern* over the suspension of the Doha round of trade negotiations, calls for their early resumption and successful development-oriented outcome adhering fully to the agreed mandate in the Doha Ministerial Declaration, the Framework adopted by the General Council of the World Trade Organization in its decision of 1 August 2004 and the Hong Kong Ministerial Declaration, in order to address, inter alia, the fundamental issue of the serious distortions in production and trade in agricultural products caused by the high levels of subsidies and protection provided by many developed countries;

5. *Calls upon* developed countries that have not already done so to work towards the objective of providing duty-free and quota-free market access for all least developed country products, and encourages developing countries in a position to do so to contribute to improved market access for the least developed countries;

6. *Calls upon* the international community to address the lack of competitiveness with respect to trade in commodities and to implement measures necessary to improve livelihoods and food security in commodity-dependent developing countries;

7. *Stresses* that the adoption or enforcement of any measures necessary to protect human, animal or plant life or health should not be applied in a manner that would constitute arbitrary and abusive use of non-tariff measures, non-trade barriers or other standards to unfairly restrict access of developing countries' products to developed countries' markets, reaffirms in this regard that developing countries should play an increasing role in the formulation of, inter alia, safety, environment and health standards, and recognizes the need to facilitate the increased and meaningful participation of developing countries in the work of relevant international standard-setting organization;

8. *Calls for* capacity-building support by relevant international organizations, by developed countries and by the enterprise sector in the context of corporate social responsibility programmes, to enable developing countries to put in place measures that are appropriate and necessary for meeting standards and other market requirements, and invites the relevant intergovernmental organizations to establish procedures for elaborating product and process standards that take into account the interests and capabilities of developing countries;

9. *Invites* international financial organizations, other donors and the United Nations Conference on Trade and Development to revisit the operational

[14] See A/C.2/56/7, annex.

[15] Document WT/MIN(05)/DEC.

[16] See World Trade Organization, document WT/L/579. Available from http://docsonline.wto.org.

modalities of international commodity, finance and risk management facilities, including compensatory schemes;

10. *Stresses* that technical assistance and capacity-building aimed at improving competitiveness of commodity producers is particularly important and calls upon the donor community to increase resources for commodity-specific, financial and technical assistance, particularly for capacity-building of developing countries, with a view to enhancing their commodity trade and development;

11. *Emphasizes* the importance of official development assistance for agriculture and rural development, and in this regard urges developed countries to reinforce their assistance in those sectors and to increase their financial and technical support for activities aimed at addressing commodity issues, in particular the needs and problems of commodity-dependent developing countries;

12. *Invites* developing countries, in cooperation with developed countries and relevant international organizations, to establish medium- and long-term commodity development programmes geared towards enhancing research for product diversification, and improving production, productivity, value addition and competitiveness of developing countries' commodities;

13. *Underlines* the need to strengthen the Common Fund for Commodities and encourages it, in cooperation with the International Trade Centre UNCTAD/WTO, the United Nations Conference on Trade and Development and other relevant bodies, to continue to strengthen the activities covered by its Second Account in developing countries with its supply chain concept of improving access to markets and reliability of supply, enhancing diversification and addition of value, improving the competitiveness of commodities, strengthening the market chain, improving market structures, broadening the export base and ensuring the effective participation of all stakeholders;

14. *Recognizes* that developed countries account for two thirds of non-fuel commodity imports and stresses the urgent need for supportive international policies and measures to improve the functioning of the commodity markets through efficient and transparent price-formation mechanisms, including commodity exchanges, and to facilitate the use of viable and effective commodity price risk management instruments;

15. *Calls upon* developed countries, the United Nations Conference on Trade and Development and other relevant international organizations to support training and awareness-building programmes on the functioning of commodity exchanges and their use, in a development-oriented manner, in supporting small farmers and in supporting capacity-building programmes in developing countries;

16. *Reiterates* the role of the United Nations Conference on Trade and Development in addressing commodities issues in a comprehensive way in accordance with relevant General Assembly resolutions and the provisions of the São Paulo Consensus, adopted by the Conference at its eleventh session,[17] and in this regard invites the developed countries to provide the resources required to enable the Conference to undertake these activities;

[17] TD/412, part II.

17. *Expresses concern* that the International Task Force on Commodities launched at the eleventh session of the United Nations Conference on Trade and Development has not entered into force owing to the absence of financial support from Member States and calls upon all stakeholders to provide the required financial support for the timely establishment of the Task Force;

18. *Requests* the Secretary-General of the United Nations, in collaboration with the secretariat of the United Nations Conference on Trade and Development, to submit a report with recommendations on the implementation of the present resolution, and to report on world commodity trends and prospects, to the General Assembly at its sixty-second session;

19. *Decides* to include in the provisional agenda of its sixty-second session, under the item entitled "Macroeconomic policy questions", the sub-item entitled "Commodities".